October 28, 2019

Glen Dickinson, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. Dickinson:

This letter provides an update on the central debt collection program for the quarter ending September 30, 2019. This report is required quarterly by Iowa Code Chapter 421.17(27) (h) regarding collection results, costs, and positions added.

Debt Collection Program
The Central Collections Unit (CCU) provided debt collection services related to the following:

- Department of Human Services (DHS) Child Support Recovery Unit
- DHS Health & Wellness Premiums
- DHS Medicaid Provider Overpayments
- Department of Natural Resources (DNR) (various liabilities)
- Iowa College Student Aid Commission (Partnership Student Loans)
- Iowa Department of Revenue (IDR) (various liabilities)
- Iowa Insurance Division (IID)

Each agency placing accounts with the CCU may also undertake additional collection efforts beyond those reflected in this report.

Collections by Quarter
Collections for the quarter ending September 2019 totaled $11.92 million, an increase of $1.38 million compared to the same quarter last year (see Table 2). When compared to the same quarter in FY 2019, DHS Child Support Recovery Unit and DHS Medicaid Provider Overpayments were consistent. The collections for DHS Health & Wellness Premiums increased by $52,391, College Aid collections increased by $13,091, and Iowa Department of Revenue collections increased by $1.32 million. The Department of Natural Resources decreased by $8,741. No comparison for FY 2019 is available for Iowa Insurance Division.

The tables and figures provided reflect only the efforts of the CCU.
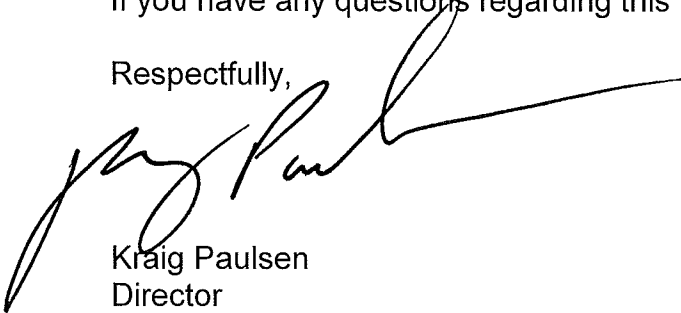
Cost/Benefit

The CCU is self-supporting and charges for all direct and indirect costs are properly allocable to CCU activities. Fiscal year costs for the last two fiscal years and an estimate of the total receipts to be retained by the Department to pay for salaries, support, maintenance, services, and other costs incurred related to the CCU in the upcoming budget year are provided in Table 1.

Table 1. Central Collections Unit Cost, FY 2018-2020

	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimated
Cost Incurred	$10,267,117	$9,480,067	$9,786,660

As you can see from Table 2, the fiscal benefits of the Central Collections Unit have remained consistent over recent quarters. It is anticipated that future revenues will remain steady, with the possibility for growth as our debt collection partnerships expand. If you have any questions regarding this information, please let me know.

Respectfully,

Kraig Paulsen
Director

Table 2.Central Collections Unit Quarterly Collections, Stage 1

Program	Collections for Quarter Ending				
	September 2019	**December 2019**	**March 2020**	**June 2020**	**FY 2020**
CCU - College Aid	$34,131				$34,131
CCU - DHS Child Support	$115,056				$115,056
CCU - DHS Health & Wellnes	$54,764				$54,764
CCU - DHS Medicaid	$2,244				$2,244
CCU - DNR	$7,994				$7,994
CCU - IDR	$11,703,922				$11,703,922
CCU - Iowa Insurance Division	$2,365				$2,365
Total	**$11,920,476**				**$11,920,476**
	September 2018	**December 2018**	**March 2019**	**June 2019**	**FY 2019**
CCU - College Aid	$21,040	$26,010	$23,906	$21,770	$92,726
CCU - DHS Child Support	$118,858	$114,739	$102,777	$100,850	$437,224
CCU - DHS Health & Wellnes	$2,373	$95,246	$163,889	$40,716	$302,224
CCU - DHS Medicaid	$270	$1,001	$700	$309	$2,280
CCU - DNR	$16,735	$19,127	$9,015	$12,779	$57,656
CCU - IDR	$10,380,649	$10,183,949	$9,743,793	$9,091,799	$39,400,190
CCU - Iowa Insurance Division			$430	$440	$870
Total	**$10,539,925**	**$10,440,072**	**$10,044,510**	**$9,268,663**	**$40,293,170**
	September 2017	**December 2017**	**March 2018**	**June 2018**	**FY 2018**
CCU - College Aid	$4,463	$42,893	$28,733	$16,964	$93,053
CCU - DHS Child Support	$121,123	$110,191	$134,350	$117,255	$482,919
CCU - DHS Health & Wellness			$47,524	$19,126	$66,650
CCU - DHS Medicaid			$1,025	$2,830	$3,855
CCU - DNR	$50,136	$7,967	$12,126	$31,088	$101,317
CCU - IDR	$7,866,014	$10,703,703	$10,147,787	$8,381,970	$37,099,474
Total	**$8,041,737**	**$10,864,754**	**$10,371,544**	**$8,569,233**	**$37,847,269**

Totals may not equal the sum of quarterly numbers due to rounding.

Figure 1. Central Collections Unit Quarterly Collections

Millions

Partners

CCU - IDR Tax Receivables ■ CCU - Judicial ■ CCU - DHS Child Support ■ CCU - DNR ■ CCU-IWD ■ CCU - College Aid ■ CCU - DHS Medicaid ■ CCU - DHS Health and Wellness ■ CCU - Iowa Insurance Division
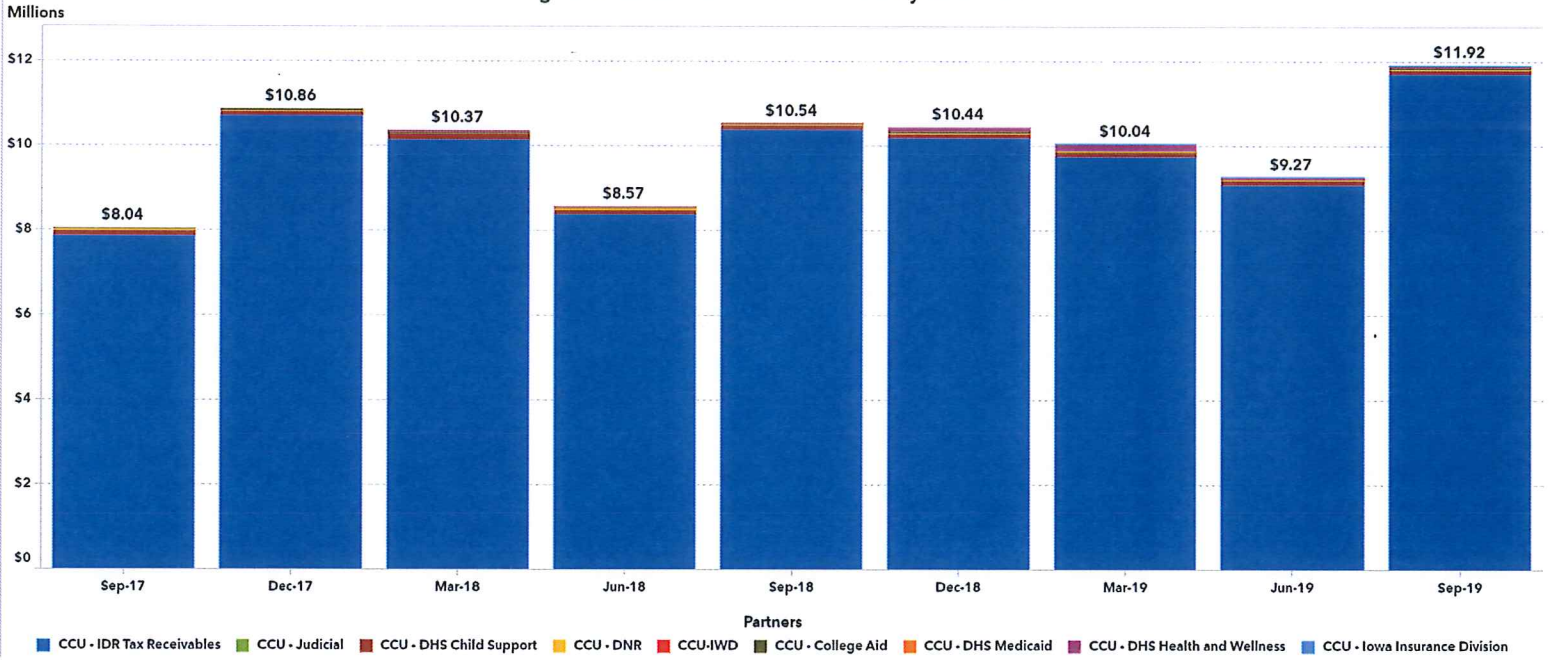
Figure 2. Subset of Central Collections Unit Quarterly Collections

Millions

Partners

■ CCU - DHS Child Support ■ CCU-IWD ■ CCU - DHS Health and Wellness ■ CCU - DNR ■ CCU - College Aid ■ CCU - Iowa Insurance Division ■ CCU - DHS Medicaid ■ CCU - Judicial